

**2009 Berard testimony – confirming knowledge of loans to Jowdy from Hawai'i**

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19 BRYAN BERARD,  
20 having been first duly sworn, was examined and testified as  
21 follows:  
22  
23 DIRECT EXAMINATION

9 Q. When you were -- as far as the Hawaii deal, were  
10 you made aware of any sort of transaction Mr. Kenner set up  
11 where you can give a commitment or pledge a credit line in  
12 lieu of putting all your money in initially?

13 A. Yes.

14 Q. Can you tell the panel what was your  
15 understanding?

16 A. Basically the company -- it was set up. The  
17 company would pay the payments. I would pledge the money,  
18 obviously to get the loan for the property. Again, the  
19 company would pay the payments, and I wasn't forfeiting all  
20 the amount of money for the piece of property.

21 Q. Were you aware that Mr. Kenner got a credit line  
22 against some securities or investments you had?

23 A. Yes.

24 Q. And later on were you aware that Mr. Kenner  
25 starting lending this money to another principal in the

916

1 Cabo project named Ken Jowdy?

2 A. Yes.

Page 76



Berard aware of  
loan and  
interest rate...

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3 Q. Were you aware that he had disclosed to you that  
4 he was going to lend this money at a rate of interest to  
5 benefit the investors?  
6 A. Yes.

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13 Q. BY MR. RICHARDS: Where did you think the money  
14 that Mr. Jowdy -- were you told where the money was going  
15 to be used that was given Mr. Jowdy as far as the Mexican  
16 project? Was there anything you were told about that?

17 A. Basically just loan him the money for the  
18 property.

19 Q. What about bank statements; did you have any  
20 problem getting any of your bank statements from Mr. Kenner  
21 at any time?

22 A. Not at all.

Basically loan  
money to  
Jowdy for the  
project...

23 Q. And prior to signing any of these documents did  
24 you have access to your own attorney unconnected to  
25 Mr. Kenner to review this?

917

1 A. Yes, I did. We have a family attorney back home  
2 where before I sign any documents basically -- I went to  
3 his office, sat with him. We reviewed them, and I signed  
4 them and basically FedEx'd them to Phil.

Berard family  
attorney reviewed  
all documents  
before signing  
them...